

AMENDED IN ASSEMBLY MAY 23, 2014

AMENDED IN ASSEMBLY APRIL 3, 2014

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 1976

Introduced by Assembly Member Quirk-Silva
(Coauthors: Assembly Members Fong, Skinner, Ting, and
Wieckowski)

February 19, 2014

An act to amend ~~Sections 69437 and 69437.6~~ *Section 69437* of the Education Code, relating to student financial aid.

LEGISLATIVE COUNSEL'S DIGEST

AB 1976, as amended, Quirk-Silva. Student financial aid: Competitive Cal Grant A and B awards.

Existing law, the Ortiz-Pacheco-Poochigian-Vasconcellos Cal Grant Program, establishes the Cal Grant A and B Entitlement awards, the California Community College Transfer Cal Grant Entitlement awards, the Competitive Cal Grant A and B awards, the Cal Grant C awards, and the Cal Grant T awards under the administration of the Student Aid Commission, and establishes eligibility requirements for awards under these programs for participating students attending qualifying institutions. Existing law limits the number of Competitive Cal Grant A and B awards that may be granted in an academic year to 22,500.

This bill would ~~increase to 50,000 the number of Competitive Cal Grant A and B awards that may be granted in an academic year, commencing with the 2015–16 academic year. The bill would require the commission to calculate a target for awards to be paid in an award year as specified, estimate a~~*take-rate* ~~take rate~~ for awards by dividing

the total number of awards paid by the total number of offers made during the 3 award years immediately preceding that award year, and estimate the number of award offers that the commission may make to achieve the target for awards to be paid, as specified. The bill would also authorize the commission to exceed the ~~50,000~~ 22,500 award limit in an academic year when the number of acceptances exceeds ~~50,000~~ 22,500, under specified conditions.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 69437 of the Education Code is amended
2 to read:
3 69437. (a) Commencing with the 2001–02 academic year, and
4 each academic year thereafter, there shall be established the
5 Competitive Cal Grant A and B award program for students who
6 did not receive a Cal Grant A or B entitlement award pursuant to
7 Article 2 (commencing with Section 69434), Article 3
8 (commencing with Section 69435), or Article 4 (commencing with
9 Section 69436). Awards made under this section are not
10 entitlements. The submission of an application by a student under
11 this section shall not entitle that student to an award. The selection
12 of students under this article shall be determined pursuant to
13 subdivision (c) and other relevant criteria established by the
14 commission.
15 (b) (1) ~~Commencing with the 2015–16 academic year, Except~~
16 ~~as provided in paragraphs (5) and (6),~~ a total of ~~50,000~~ 22,500
17 Cal Grant A and B awards shall be granted annually under this
18 article on a competitive basis for applicants who meet the general
19 eligibility criteria established in Article 1 (commencing with
20 Section 69430) and the priorities established by the commission
21 pursuant to subdivision (c).
22 (2) Fifty percent of the awards referenced in this subdivision
23 are available to all students, including California community
24 college students, who meet the financial need and academic
25 requirements established pursuant to this article. A student
26 enrolling at a qualifying baccalaureate degree granting institution
27 shall apply by the March 2 deadline. A California community

1 college student is eligible to apply at the March 2 or the September
2 2 deadline.

3 (3) Fifty percent of the awards referenced in this subdivision
4 are reserved for students who will be enrolled at a California
5 community college. The commission shall establish a second
6 application deadline of September 2 for community college
7 students to apply for these awards effective with the fall term or
8 semester of the 2001–02 academic year.

9 (4) If any awards are not distributed pursuant to paragraphs (1)
10 and (2) upon initial allocation of the awards under this article, the
11 commission shall make awards to as many eligible students as
12 possible, beginning with the students with the lowest expected
13 family contribution and highest academic merit, consistent with
14 the criteria adopted by the commission pursuant to subdivision
15 (c), as practicable without exceeding an annual cumulative total
16 of ~~50,000~~ 22,500 awards.

17 (5) (A) In granting awards under this article for the 2015–16
18 award year, the commission shall do all of the following:

19 (i) Establish a target of ~~50,000~~ 22,500 awards to be paid.

20 (ii) Estimate the ~~take-rate~~ *take rate* for awards by dividing the
21 total number of awards paid by the total number of offers made
22 during the three award years immediately preceding the 2015–16
23 award year.

24 (iii) Estimate the number of award offers that the commission
25 may make to achieve the target for awards paid by dividing ~~50,000~~
26 22,500 by the ~~take-rate~~ *take rate* estimated pursuant to clause (ii).

27 (B) In granting awards under this article for the 2016–17 award
28 year and subsequent award years, the commission shall do all of
29 the following:

30 (i) Calculate a target for awards to be paid by subtracting the
31 number of awards paid in the previous award year from the target
32 for awards paid in the previous award year and adding the result
33 to ~~50,000~~ 22,500.

34 (ii) Estimate the ~~take-rate~~ *take rate* for awards by dividing the
35 total number of awards paid by the total number of offers made
36 during the three award years immediately preceding that award
37 year.

38 (iii) Estimate the number of award offers that the commission
39 may make to achieve the target for awards paid calculated pursuant

1 to clause (i) by dividing the target by the ~~take-rate~~ *take rate*
2 estimated pursuant to clause (ii).

3 (6) Notwithstanding paragraphs (1) to (4), inclusive, the
4 commission may exceed the ~~50,000~~ 22,500 award limit in an
5 academic year when the number of acceptances exceeds ~~50,000~~
6 22,500, provided that, in the 2016–17 award year and subsequent
7 award years, the commission grants awards in accordance with
8 subparagraph (B) of paragraph (5).

9 (c) (1) On or before February 1, 2001, acting pursuant to a
10 public hearing process that is consistent with the Bagley-Keene
11 Open Meeting Act (Article 9 (commencing with Section 11120)
12 of Chapter 1 of Part 1 of Division 3 of Title 2 of the Government
13 Code), the commission shall establish selection criteria for Cal
14 Grant A and B awards under the competitive program that give
15 special consideration to disadvantaged students, taking into
16 consideration those financial, educational, cultural, language,
17 home, community, environmental, and other conditions that hamper
18 a student's access to, and ability to persist in, postsecondary
19 education programs.

20 (2) Additional consideration shall be given to each of the
21 following:

22 (A) Students who graduated from high school or its equivalent
23 prior to the 2000–01 academic year. This subparagraph shall not
24 be applicable after the 2004–05 academic year.

25 (B) Students pursuing Cal Grant B awards who reestablish their
26 grade point averages.

27 (C) Students who did not receive awards pursuant to Article 2
28 (commencing with Section 69434), Article 3 (commencing with
29 Section 69435), or Article 4 (commencing with Section 69436).

30 (d) All other students who meet the eligibility requirements
31 pursuant to Article 1 (commencing with Section 69430) are eligible
32 to compete for an award pursuant to this article.

33 ~~SEC. 2. Section 69437.6 of the Education Code is amended to~~
34 ~~read:~~

35 ~~69437.6. (a) An applicant competing for an award under this~~
36 ~~article shall meet all the requirements of Article 1 (commencing~~
37 ~~with Section 69430).~~

38 ~~(b) To compete for a competitive Cal Grant A award, an~~
39 ~~applicant shall, at a minimum, meet all of the requirements of~~
40 ~~Article 2 (commencing with Section 69434), with the exception~~

1 of paragraphs (1) and (8) of subdivision (b) of Section 69434.
2 However, in lieu of meeting the grade point average requirement
3 set forth in paragraph (3) of subdivision (b) of Section 69434, an
4 applicant may submit a community college or college grade point
5 average of at least 2.4 on a 4.0 scale.

6 ~~(e) To compete for a competitive Cal Grant B award, an~~
7 ~~applicant shall, at a minimum, meet all of the requirements of~~
8 ~~Article 3 (commencing with Section 69435), with the exception~~
9 ~~of paragraphs (1) and (8) of subdivision (a) of Section 69435.3.~~
10 ~~However, in lieu of meeting the grade point average requirements~~
11 ~~of paragraph (3) of subdivision (a) of Section 69435.3, a student~~
12 ~~may do either of the following:~~

13 ~~(1) Demonstrate attainment of a community college or college~~
14 ~~grade point average of at least 2.0 on a 4.0 scale.~~

15 ~~(2) Reestablish his or her grade point average by completing at~~
16 ~~least 16 cumulative units of credit for academic coursework at an~~
17 ~~accredited California community college, as defined by the~~
18 ~~commission, by regulation, with at least a 2.0 community college~~
19 ~~grade point average.~~

20 ~~(d) To compete for a competitive California Community College~~
21 ~~Transfer Cal Grant Award, an applicant shall, at a minimum, meet~~
22 ~~the requirements of Article 4 (commencing with Section 69436),~~
23 ~~with the exception of paragraphs (8) and (9) of subdivision (b) of~~
24 ~~Section 69436.~~

25 ~~(e) All other competitors shall, at a minimum, comply with all~~
26 ~~of the requirements of subdivision (b) of Section 69432.9.~~

27 ~~(f) An individual selected for a Cal Grant A award who enrolls~~
28 ~~in a California community college may elect to have the award~~
29 ~~held in reserve for him or her for a period not to exceed two~~
30 ~~academic years, except that the commission may extend the period~~
31 ~~in which his or her award may be held in reserve for up to three~~
32 ~~academic years if, in the commission's judgment, the rate of~~
33 ~~academic progress has been as rapid as could be expected for the~~
34 ~~personal and financial conditions that the student has encountered.~~
35 ~~The commission shall, in this case, hold the award in reserve for~~
36 ~~the additional year. Upon receipt of a request to transfer the award~~
37 ~~to a tuition or fee charging qualifying institution, the individual~~
38 ~~shall be eligible to receive the Cal Grant A award previously held~~
39 ~~in reserve if, at the time of the request, he or she meets all of the~~
40 ~~requirements of this article. Upon receipt of the request, the~~

1 ~~commission shall reassess the financial need of the award recipient.~~
2 ~~The commission may prescribe the forms and procedures to be~~
3 ~~utilized for the purposes of this section. A recipient's years of~~
4 ~~eligibility for payment of benefits shall be based upon his or her~~
5 ~~grade level at the time the award is transferred to the tuition or fee~~
6 ~~charging qualifying institution. Any award so held in reserve shall~~
7 ~~only be counted once toward the 50,000 awards authorized by this~~
8 ~~article.~~

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